Claims Clues

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U.S. District Court Halts Higher Co-Pays

U.S. District Court has issued a preliminary injunction against the higher co-pays AHCCCS began charging the Proposition 204 expansion population last fall.

The injunction was a result of a lawsuit filed earlier by the Arizona Center for Disability Law and the William Morris Institute for Justice.

AHCCCS is complying with the injunction and will inform affected members, providers, and community organizations within the 20 days stipulated in the injunction.

Under legislative order, AHCCCS began charging higher co-pays to some 90,000 to 100,000 members last fall after receiving the go-ahead from the federal government for the Proposition 204 expansion group. Providers were allowed to deny services to members who did not have the co-pay, something prohibited to traditional Medicaid eligibility groups.

Since AHCCCS began, co-pays have been nominal -- no co-pay for prescriptions, $1 for physician office visits, and $5 for non-emergency use of the emergency room. The new schedule increased co-pays to $4 for generic prescriptions, $10 for brand-name prescriptions, $5 for physician office visits and $30 for non-

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First 3 Digits of UB-92 Dx Code Must Match Authorization

Hospital billers do not need to request a change in the diagnosis code on an authorization for a fee-for-service hospital stay unless one of the first three digits must be changed.

If any of the first three digits of the authorized diagnosis code changes, the provider must contact the AHCCCS Prior Authorization Unit to request a change in the authorization.

The primary or admitting diagnosis does not need to match the authorization as long as any one of the other covered diagnosis codes on the claim matches what has been authorized. ❒

Provider Participation to be Terminated for Inactivity

A provider's participation in the AHCCCS program may be terminated for any of several reasons, including inactivity.

Provider participation may be terminated if the provider has not submitted a claim to the AHCCCS Administration or one of the AHCCCS-contracted health plans or program contractors within the past 24-months. If AHCCCS has not received a claim or an encounter from a provider for the past 24 months, that provider was terminated effective **April 1, 2004**.

Completion of a new registration packet will be required to reactivate providers who reapply following termination for inactivity.

Providers should refer to Chapter 3 of the *AHCCCS Fee-For-Service Provider Manual* for information on provider participation. ❒

Fee Schedule Update to Impact Residency Programs

AHCCCS implemented an update to the physician fee schedule for dates of service beginning May 1, 2004.

As part of this fee schedule update, procedures that have separate facility/non-facility reimbursement based on place of service (POS) will be reimbursed based on the Medicare definition of POS. This means that physician services provided in a facility will be reimbursed at a lower rate since it is assumed that the facility will also bill.

Residency programs should review their billing practices in light of this change to assure that both the physician and facility charges are being billed for appropriate reimbursement.

Place of service 99 should not be used for services rendered in an office, clinic or hospital. ❒

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emergency use of the ER.

The increased co-pays were an attempt by the Legislature to help the state budget, which a year ago was $1 billion in the red. The savings for the current fiscal year would have been $5 million to the state general fund and $15 million total, when the federal share was added in.

With the injunction in place, the co-pays return to the original levels and services will not be denied if a member cannot pay. ❒

Communications Center Changes Hours of Operation

Effective June 1, the AHCCCS Communications Center will be open from 7:00 a.m. - 9:00 p.m. Monday through Friday and 8:00 a.m. - 6:00 p.m. Saturday and Sunday.

Newborns born between 9:00 p.m. and midnight Monday through Friday or 6:00 p.m. and midnight Saturday and Sunday should be reported to the Newborn Unit via fax. The fax number is (602) 252-2136. The fax date will be considered the date of notification.

Providers who need to verify eligibility and enrollment are encouraged to use one of the following verification processes rather than calling the Communications Center.

- Internet

  The AHCCCS Online Web application allows providers to verify eligibility and enrollment using the Internet.

  To create an account and begin using the application, go to the AHCCCS home page at www.ahcccs.state.az.us. Click on Links for Plans and Providers. A link on the Quick Links for Health Plans and Providers page allows providers to create an account.
- Medical Electronic Verification System (MEVS)

  MEVS uses "swipe card" technology to verify recipient eligibility and enrollment. For information on MEVS, contact Envoy at (615) 231-4989
- Eligibility Verification System (EVS)

  EVS, also known as Medifax, allows providers to use a PC or terminal to verify eligibility and enrollment. For information on EVS, contact the Potomac Group at 1-800-444-4336.
- Interactive Voice Response (IVR)

  IVR allows unlimited verifications using a touch-tone telephone. Providers may call IVR at:

  Phoenix: (602) 417-7200

  All others: 1-800-331-5090 ❒

AHCCCS Transmitting $5 Million in Electronic Payments

AHCCCS has been transmitting about $5 million in electronic payments to providers each week since implementing the new reimbursement process.

The new payment option processes payments using the Automated Clearing House (ACH) rather than issuing checks to providers. The ACH payment method enables providers to receive reimbursement more quickly.

The Arizona Clearing House Association (ACHA) processes electronic payments directly to the provider's bank account through Bank of America, which functions as the state servicing bank. BofA will make the electronic payment available to a provider's account one business day after the date AHCCCS transmits the ACH payments file to BofA.

To begin receiving ACH payments, a provider must complete Sections 2 and 3 of the ACH Vendor Authorization Form. The form is available on the AHCCCS Web site at www.ahcccs.state.az.us.

The provider's financial institution must complete Section 4 of the form and submit the form to:

AHCCCS Finance Department
Mail Drop 5400
P. O. Box 25399
Phoenix, AZ 85002

AHCCCS will process its normal weekly fee-for-service payment cycle and transmit the ACH payment data to BofA, which will transmit the information to ACHA.

On the settlement date of the electronic payment, the provider's financial institution will credit the provider's individual account.

Providers receiving ACH payments should check the pay-to address on their remittance advice. If the address is a lockbox at a bank, providers may want to contact the Provider Registration Unit to change the address to which the remits are mailed. This should prevent any delays in receiving the remits from their bank.

The AHCCCS Finance Unit charges $2.00 per page if copies of remits are requested.

Providers who have questions should call (602) 417-4052 or (602) 417-4543. ❒